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ARIZONA CORPORATION COMMISSION

June 2, 2008

RE: Palo Verde and Santa Cruz Water Companies Application for CC&N Extension
SW-03575A-06-0545 and W-03576A-06-0545

Dear Parties to the Docket:

It is my belief that, as a matter of Commission policy, CC&Ns should not be granted for vast swaths of property but, rather, should be limited to areas that are intended for imminent development. Otherwise, the Commission will be placed in the position of extending certificates that add significant additional value to developers' property, and provide to utility companies additional valuable assets, without a commensurate obligation that the land within the extension area be developed within a reasonable period of time.

In accordance with these views, I am concerned with approval of the Recommended Opinion and Order in this docket due to the grant of more than 8,473 acres in the proposed CC&N extension. I do not believe that this large area of land could possibly be fully developed in the near or intermediate future, and I therefore will propose at the Open Meeting that this case be sent back to hearing. The purpose of additional hearings regarding this application would be to require the Applicant to identify the specific parcels that would be developed in the near term (e.g., 5 years or less), and the timing of development of subsequent parcels. Based on the evidence presented at the hearing, it is my hope that the CC&N extension request could be granted only for the areas of property for which development is expected to proceed in the near future.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Hatch-Miller".

Jeff Hatch-Miller
Commissioner

Cc: Chairman Mike Gleason
Commissioner William Mundell
Commissioner Kristin Mayes
Commissioner Gary Pierce
Brian McNeil, Executive Director
Janice Alward, Chief Counsel
Ernest Johnson, Utilities Division
Lyn Farmer, Hearing Division